

KORDSA GLOBAL

KORDSA GLOBAL 2007 ANNUAL REPORT



KORDSA GLOBAL

www.kordsaglobal.com

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**A N N U A L
R E P O R T**

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Excellence

Innovation

Kordsa Global Milestones

1973	Formation of Kordsa Turkey Trencord Fabric Plant
1987	Formation of Duse-Gabana DuPont JV Yarn Plant
1990	Inception of "Quality Culture" studies and Deployment of Total Quality Management
1993	The first ISO 9001 Certificate given to a textile company in the world: Kordsa
1993	Establishment of Nile-Kordsa
1998	Establishment of Interkordsa
1998	South America Investment
1999	Merger of Dusa Yarn Plant and Kordsa Fabric Plant
2000	North America Investment
2001	Formation of Global JV with DuPont
2003	Replication of the Technology Center from Chetumal, Mexico, USA to Kordsa Turkey
2005	Acquisition of the DuPont in Kordsa JV
2005	Growth in Polyester
2006	Formation of Kordsa Global and Relocation of the Headquarters from USA to Turkey
2006	Growth in Asia
2007	R&D and Single End Cord Investments

Kordsa Global in brief

Kordsa Global is the world's largest nylon and polyester yarn, trencord fabric and terryknit cord producer, and serves the tire reinforcement and mechanical rubber goods markets.

Kordsa Global's success story started in 1973, with the launch of a cord fabric factory in Iznik. Within the last 35 years the company has become a global leader by means of strategic purchases and joint ventures with leading partners such as DuPont. Spread over five continents, with 12 corporate offices in 10 countries, and with a workforce of more than 3,000 people, the company continues its global expansion.

Kordsa Global runs its operations from four regions with headquarters based in Istanbul. The regions are:

- **Europe, Middle East and Africa**
Turkey, Germany, Egypt, Iran
- **North America**
Laurel Hill/North Carolina
Chicassawook/Vermont
- **South America**
Brazil, Argentina
- **Asia Pacific**
China, Indonesia, Thailand

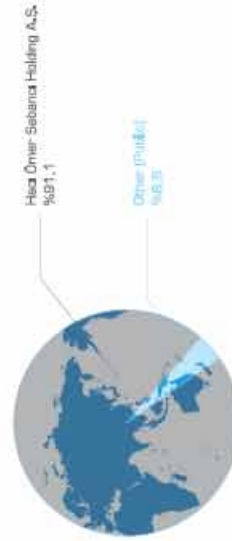
In addition to the integration of Asian enterprises acquired in 2007, the company focused on voice in the market of rubber and fabric in order to provide solutions. In order to reach these targets important investments were realized in new technology resource and single end-cord areas.

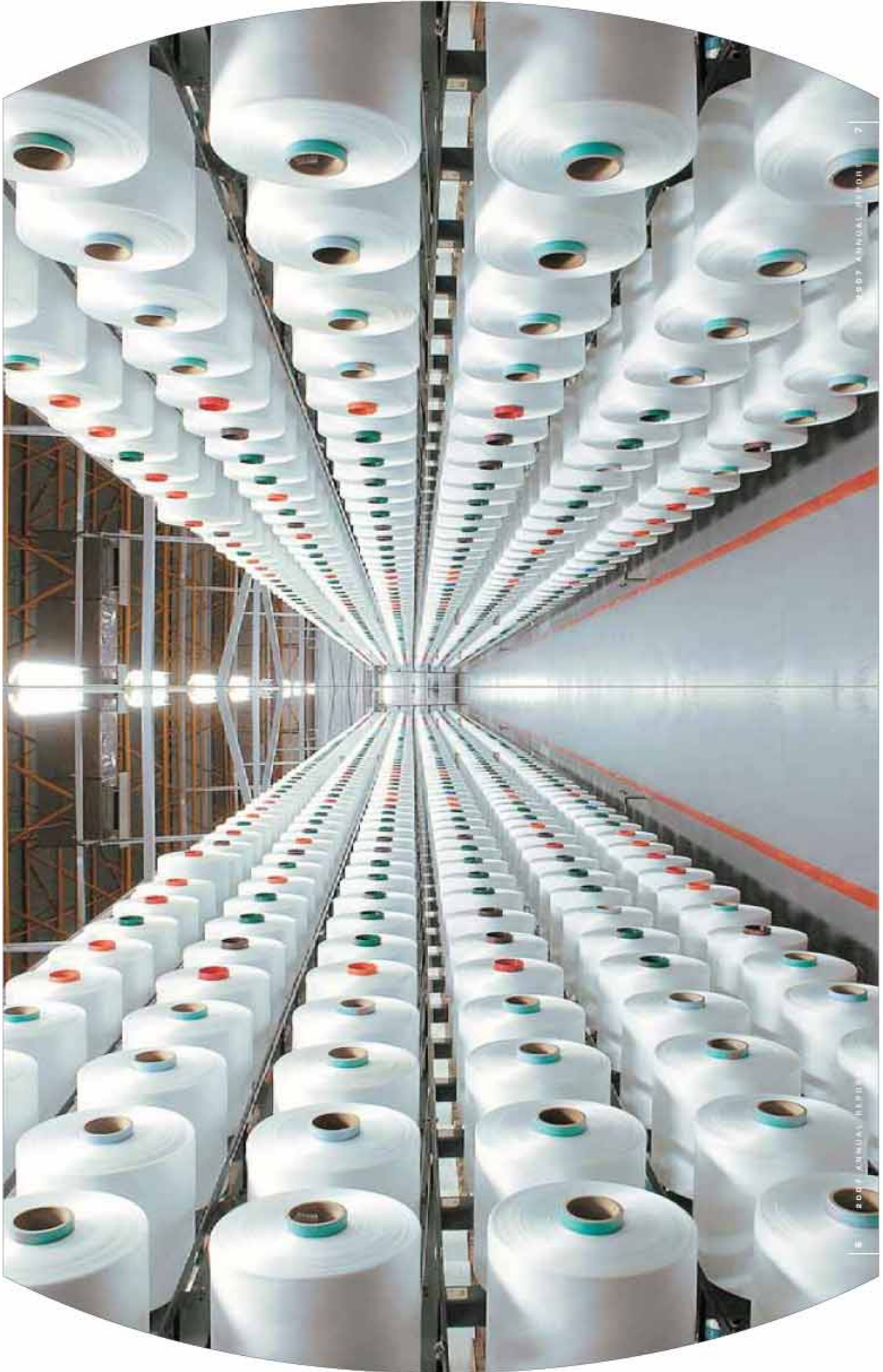
In 2006, Kordsa Global aims to progress towards the vision of "solution partner for the rubber industry, worldwide", by means of the following three strategic initiatives:

- **Operational Excellence**, driving competitive local cost and supply chain.
- **Balanced Global Approach Initiatives**, allocating resources to optimize value creation and cost efficiency opportunities.
- **Solution Partner Programs**, focusing on bringing technology solutions to market to meet our customers' needs by innovation methodology.

Kordsa Global's shares are traded on the Istanbul Stock Exchange with a free float of 8,8%.

Shareholders' Structure





Mission

Deliver high value added tire reinforcement solutions on a global platform

Vision

Solution partner for the rubber industry, worldwide

Corporate Values

SHE: (Safety, Health, and Environment)

Whatever we do, SHE comes first. We are 100% committed to achieving an accident-free and safe workplace for our employees and business partners. As company respecting the society, our purpose is to protect environmental health and natural resources.

Integrity / Commitment to Law and Ethical Values

In all business and personal matters, we always comply with the laws of the countries we operate and we always demonstrate the highest ethical values.

Customer Focused

We respect our customers. Our goal is not only finding the right and permanent solutions to their problems and supporting their successes, but also to their innovative and trustworthy business partner.

Open Minded

We are willing to embrace and consider new ideas and perspectives from different sources.

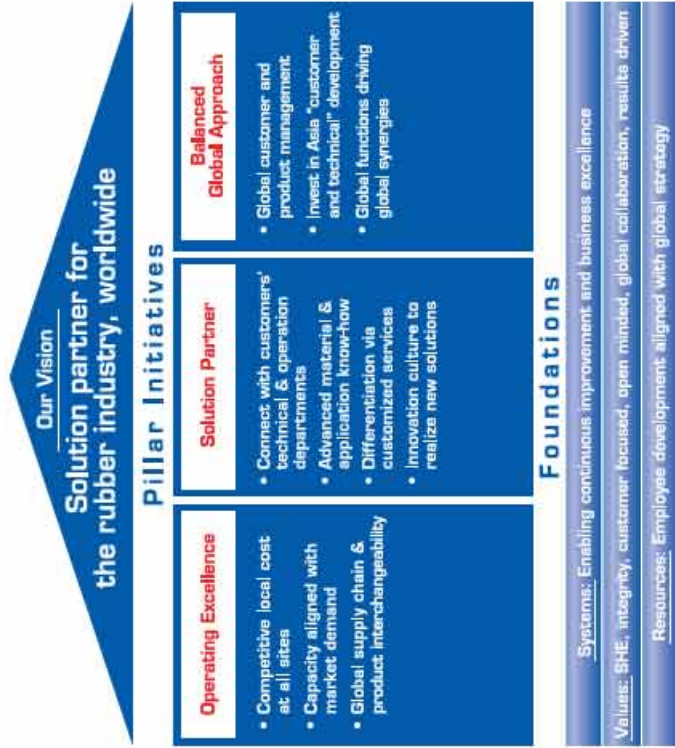
Global Collaboration and Interdependency

We believe in working together. While working together, we would like to create a synergy by benefiting from the strength and best-practices of our employees, suppliers, contractors and customers.

Results Driven

We are a result oriented team and focused on delivering our commitments with a continuous improvement mindset.

Strategy Model



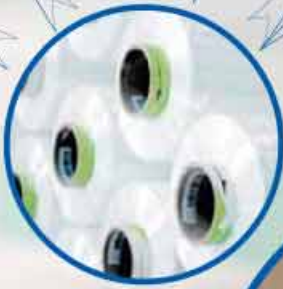
What does Kordsa Global produce?

RAW MATERIAL

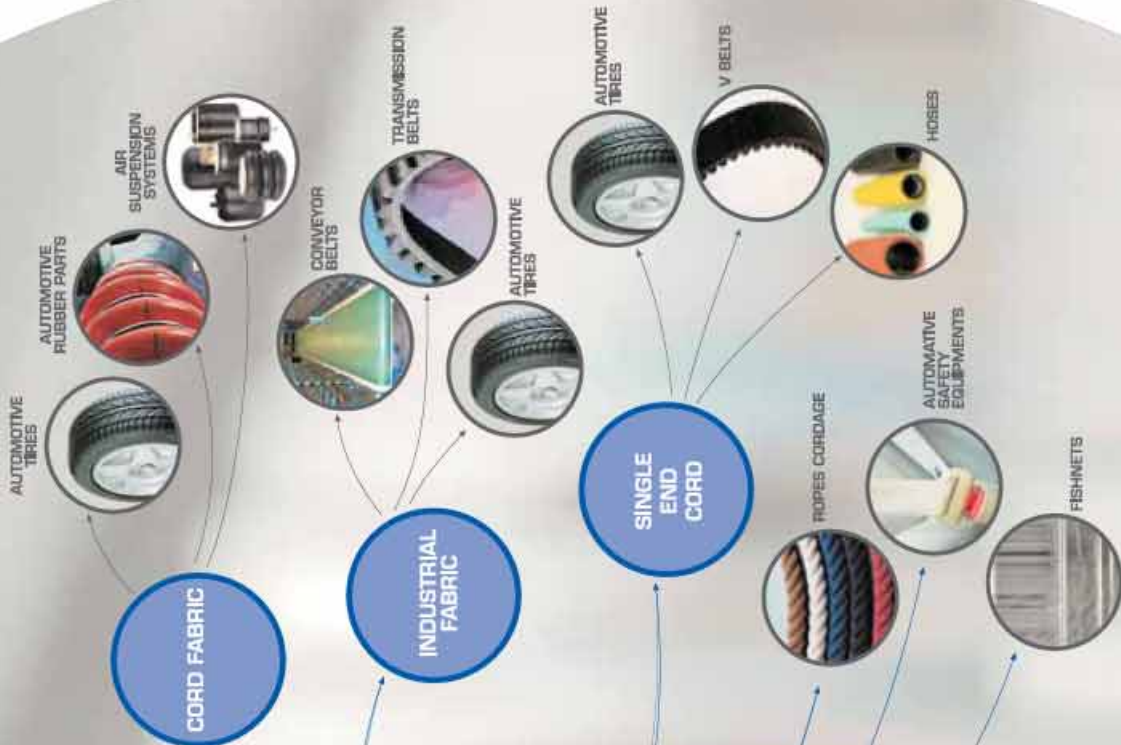
- NYLON 6-6
- HMID
- AA
- HMIS / TECHNICAL PET
- MEG
- PTA



YARN



PRODUCTION



Kordsa Global's Worldwide Operations

From its foundation till today, gaining strength with selective acquisitions and mergers, Kordsa Global now boasts 12 facilities in a total of 10 countries on 5 continents. The company has provided job opportunities for some 5,000 people with a consolidated net sales of US\$ 925 Million. **Kordsa Global is a part of the Sabanci Holding group.**



EUROPE
THE MIDDLE EAST
AFRICA

US\$ 423 Million
ANNUAL SALES REVENUE



ASIA PACIFIC

US\$ 180 Million
ANNUAL SALES REVENUE



NORTH AMERICA

US\$ 206 Million
ANNUAL SALES REVENUE



SOUTH AMERICA

US\$ 138 Million
ANNUAL SALES REVENUE

* Calculations are based on the average US dollar exchange rate of the Turkish Central Bank.

Message of The Chairman

Dear shareholders,

Kordas Global took big steps in 2007, to optimize its business model, and hence its capacity to deliver "affordable value" to its customers. Important milestones were achieved, including Asia integration and global technology investment, to strengthen the Company's industry leadership and competitiveness.

Also in the Salama business portfolio, Kordas Global plays a key role, in setting an example of global growth and market leadership, as well as technology and innovation efforts as a 52B company.

In the next three years, we expect the Kordas team will maintain a competitive cost position at all sites, innovate its product offering, business model, and target Business Excellence via continuous improvement. And last but not least, although we are pleased with the current market position of the Company and emphasize the optimization of global synergies as a top priority, we also actively encourage the management to continue seeking growth options, including potential acquisitions.

Before closing, I would like to highlight my strong belief in the driving force behind Kordas's 35 years of successful growth: the expertise, passion, and diversity of our employees. The future will show us that this driving force will bring further innovation and market success, enabled by a well defined and executed global strategy.



GÜLER SABANCI
CHAIRMAN OF THE BOARD
OF DIRECTORS

*I would like to
highlight my strong
belief in the driving
force behind Kordas's
35 years of successful
growth: the expertise,
passion, and diversity
of our employees.*



The Board of Directors

1 GÜLER SABANCI CHAIRMAN OF THE BOARD OF DIRECTORS

(November 2006 - March 2008)
Güler Sabancı was born in Adana, Turkey and graduated from Bogaziçi University with a degree in Business Administration. She began her professional career at Lassa Lassa Sanayi A.Ş. in 1978, followed by 14 years as general manager of Korosan Koridorları Sanayi ve Ticaret A.Ş. Until 2004, she was acting as President of Sabancı Holding's Tire Tire Reinforcement Materials and Automobiles Group. Since May 2004, Sabancı is the Managing Director and Chair of the Board of Directors of Sabancı Holding where she also serves as President of the Human Resources Committees. She played a key role during the foundation of Sabancı University in addition to her business activities worldwide. Currently, she serves as the chair for the Governors of Sabancı University and a member of TÜSİAD (Turkish Industrialists and Businessmen's Association). Güler Sabancı also produces wine with her own brand.

2 TURGUT UZER

VICE CHAIRMAN
(November 2006 - March 2008)
Turgut Uzer was born in Ankara in 1954 and graduated from the Department of Industrial Engineering at Middle East Technical University. He served in a number of managerial positions at Lassa Lassa Sanayi A.Ş. and Bekas A.Ş. between 1981 and 2004. On June 1, 2004 he was appointed as President of Sabancı Holding's Tire Tire Reinforcement Materials and Automobiles Group. Uzer also serves as a member of the Board in a number of Sabancı Group subsidiaries.

3 RİDVAN KADIR YİRMİBESİĞİLİ

MEMBER
(November 2006 - March 2008)
Rıdvan Yirmibesigili was born in 1960, in Izmir. After graduating from the Political Science and Public Administration Department of Ege University, he took his master's degree in Organization, Management and Operation Policies in the Business Administration Faculty of Ege University in 1988. Yirmibesigili joined the Sabancı Group in 1988 at Kordas and became company's Human Resources Manager in 1990. In 1995, he was appointed to Sabancı Holding as the Assistant Head of Human Resources; in 1998 he became the Head of the Department. As being the Head of Human Resources, Yirmibesigili has taken the responsibility of developing human resources policies for various Sabancı Group companies. He was appointed as the Executive Vice President of Human Resources in 2005.

4 PETER GERARD KEHOE

MEMBER
(November 2006 - March 2008)
Peter Kehoe is a chemical engineer, he earned a BE and M. Eng. Sc. from University College, Dublin and a PhD from Yale University in the United States. He worked for DuPont for thirty years in the fields of research, manufacturing, marketing and corporate planning. He served as the General Manager in most of these companies. Peter Kehoe is currently president of the Ebsolat Group, a business consulting company.

5 TERRY HALL HAMMOND

MEMBER
(November 2006 - March 2008)
Terry Hammond has worked in various positions in the Tire Industry over a 20-year period as a supplier of mainly polyester yarns, retiring in 2001 from the position of Vice-President, responsible for Technical Fibers and North American Region at KÖSA. Currently, she is responsible for programming, public relations and media development for WordNis, a broadcasting network owned and operated by Wozny Christian Center in Charlotte, NC.

6 RAFAEL C. R. DECALUWÉ

MEMBER
(November 2006 - March 2008)
Rafael Decaluwé is a senior consultant, advising on strategy development and implementation and business start-ups in China. From 1994 to 2002, he served as CEO of N.V. Bekasert S.A., Belgium, a manufacturer of Steels wire, steelcord and advanced materials. Bekaluwe serves today as Chairman on the Board of Janssen Group N.V. and Maljasse N.V. in Belgium.



Top Management



- 1 MEHMET N. PEKARUN
CEO
- 2 BÜLENT BODUROĞAN
CFO
- 3 CENK ALPER
CTO
- 4 M. TAMUJ ULA
VICE PRESIDENT - EUROPE, MIDDLE EAST, AFRICA
- 5 DİNGER ÇELİK
VICE PRESIDENT - ASIA PACIFIC

- 6 EDWARD J. LOCKHART
VICE PRESIDENT - SOUTH AMERICA
- 7 HAKAN TİFTİK
VICE PRESIDENT - SALES AND MARKETING
GENERAL MANAGER - TURKEY
- 8 BEKİR BOYTÜRK
VICE PRESIDENT - BUSINESS DEVELOPMENT
- 9 HAKAN ÖKER
DIRECTOR - HUMAN RESOURCES
- 10 DANIEL PELTON
GENERAL MANAGER - AEO / LAUREL HILL
DIRECTOR - SALES AND MARKETING - NORTH AMERICA

- 11 CEVDET ALEMDAR
GENERAL MANAGER - THAILAND AND CHINA
DIRECTOR - SALES AND MARKETING - ASIA PACIFIC
- 12 BÜLENT ARABULI
GENERAL MANAGER - GERMANY
DIRECTOR - SINGLE END CORD
- 13 DUYGU LİNNELİ NİRCİA
LEGAL COUNSEL
- 14 MEHMET ADA
GENEL MÜDÜR - USA / CHATTANOOGA
(Is not in this group picture.)



Message Of The CEO

Dear shareholders, customers, employees, and business partners,

2007 was the year of "Integration" and "Voice of Customer" at Kordsa Global. In this dynamic period, we focused on integrating our new sites in Asia Pacific to our global organizations. Also, we have listened to the "Voice of Customer" earnestly, and invested in our capacity to meet their needs for innovative solutions, via global technology and single and cost investments.

When we look at our markets in 2007, and primarily to the tire reinforcement segments, despite the US slowdown and rising oil prices, total market demand was robust for both nylon 6,6 and HM/S polyester fabric. Most of our customers were successful to reflect price increases in their major tire segments. A strong demand for UTR tires, driven by high commodity prices, was a particularly positive factor for our nylon business. Finally, industry consolidation and continued polyester capacity expansion in Asia were the main themes on the competitive side.

Our financial results benefited from good sales volumes, reaching US \$ 925 million, while raw material cost escalations and supply disruptions adversely impacted our profitability. We have also reassessed our cost competitiveness, market demand dynamics, and consequently rationalized our North America yarn capacity, to improve our service in this market. At risk income level, we achieved US \$18 MM, after covering one-time restructuring costs.

Overall, 2007 was a good year for us, we enjoyed the benefits of being a global company, whose regions facing challenges were supported by better performance in other regions.

Looking forward, we see that the high price, volatility of raw materials and weakening US currency/economy, will be the two key factors affecting our industry. As a global company with sales well balanced across the world, we feel well positioned to deal with demand volatility, however we are very cautious on potential cost shocks due to crude oil prices.

Our strategy remains focused to deliver our vision "to be the solution partner for the rubber industry, worldwide". After our Asia Pacific expansion, our market leadership is well cemented, and our priority going forward, is to:

1. Domains our global synergies, and
 2. To accelerate our technology and innovation efforts.
- Our strategic initiatives (Kordsa Strategy Model, see page 9) reflect this focus:
- Operating Excellence, driving competitive local cost and global supply chain.
 - Balanced Global Approach initiatives, allocating resources to optimize value creation and cost efficiency opportunities.
 - Solution Partner programs, focusing on bringing technology knowhow and customized services to our customers, enabled by innovation methodology.

Hence, 2008 will be the year of "Customer Value Creation" and "Synergy Optimization". We will give particular focus to improving our quality and service in Asia and North America, accelerating productivity via Operating Excellence worldwide, and realizing key product development projects with our customers.

In closing, I would like to share again my excitement for the future of our business, given the match between our customers' innovation needs and our strengths of "global leadership with local service, broad product portfolio, and technology expertise". We can count on the future, thanks to the choice of our customers, diversity and expertise of over 5,000 employees, and our shareholders who always encourage us to do better.

MEHMET N. PEKARUN
CEO

2008 will be the year of
"Customer Value Creation" and
"Synergy Optimization"

2007 Financial Analysis

Growth

With the realization of company acquisitions and organic growth, Kardas Global has achieved a higher sales revenue compared to year 2006.

Sales volumes increased from 154 kilotons to 207 kilotons whereas revenue increased from US \$ 700 Million (1 Billion YTL) to US \$ 925 Million (1,2 Billion YTL).

The 32% growth is mainly 19% from acquisitions, 3% from favorable Euro rates compared to US \$ and 10% from other factors mainly organic growth.

Optimization

On-time charges, the negative impact of increasing supply prices and especially the appreciation of New Turkish Lira, Brazilian Real and Asian currencies against the US Dollar caused a decrease in the operating profitability. Furthermore, as the operating profitability of the recently acquired companies is lower than the rest, it lowers the average of the company.

Part of the integration of recently acquired companies necessitated restructuring of certain assets in order

to take advantage of lower costs. Following the acquisition and integration of Asian plants, the company optimized its asset base and consequently restructured higher-cost sites, saving of US \$ 25 Million.

As this is a one-time, non-cash charge, cash flow from operations is a better measure for reviewing the cash generation performance of the company.

Investing in the future

Kardas Global also continues to invest heavily on growth segments such as single and cord and new innovation methodologies. The R&D spending of the company has increased more than 50% in 2007.

Strong Balancesheet

Kardas Global carries significantly less debt and has used its free cash flow to pay down debt that has been built up for the acquisitions in Asia Pacific Region at the end of 2006. This provides the company further strength in balancesheet to achieve future growth.

Financial Ratios

	As reported		Excluding one time charges	
	2007	2006	2007	2006
Liquidity Ratios (%)				
Current Ratio	1,90	1,71	1,90	1,71
Acid-Test Ratio	0,94	0,84	0,84	0,85
Cash Ratio	0,24	0,23	0,24	0,23
Debt / Equity Ratio	43	52	41	52
Profitability and Cashflow Ratios (%)				
Return on Equity	4,1	8,4	8,5	8,4
Gross Profit Margin	11,1	17,0	13,8	17,0
Operating Profit Margin	3,9	7,7	8,4	7,7
Net Profit Margin	2,0	5,5	4,1	5,5
Cash Flow From Operations/Sales	13,8	13,0	13,7	13,0



2007 Operating Highlights

2007 was a dynamic year for the tire reinforcement sector with both positive and challenging developments.

- The slowdown in the American economy and rising oil prices had a negative impact on market conditions, affecting raw material prices for tire manufacturers, which could partly be compensated with higher sales prices.
- In the tire reinforcement sector, stronger demand for off-road vehicle tires increased demand for nylon 6,6 based fabric. In Asia, mergers and capacity restraints in polyester production were the two main factors determining the course of competition in the sector.

For Kordas Global 2007 was characterized by important developments in customer focus and integration of its global structure:

- In line with customer demands, Kordas Global formed its vision as: "to be the solution partner for the rubber industry worldwide". The company's global R&D efforts were structured around new technological platforms and investments were accelerated. Many new innovation projects were initiated and global customer management activities expanded.
- Production capacities were increased in our plants in Germany and Brazil to meet the growing demand in single end cord from customers supplying the automotive industry.
- Other manufacturing success stories are further quality standard improvements in our Laurel Hill fabric and Chetzenroga yarn plants as well as the restructuring of our polyester production in Brazil.

Asia has undoubtedly become one of the main manufacturing centers of the world's tire reinforcement sector. At the end of 2006, Kordas Global made strategic investments in the region. By the acquisitions in China, Indonesia and Thailand in the last days of 2006, the expansion process has been completed to a large extent. Recently acquired plants correspond to Kordas Global's technology and operational standards progressed in 2007; meanwhile the company's share in the Indonesian entity was raised to 95.02%.



EUROPE
THE MIDDLE EAST
AFRICA

Europe, The Middle East, Africa (Region 1)

Kordas Global is the biggest supplier in the region with production sites in Turkey, Germany, Egypt and Iran. In year 2007 the company reached 79 millions of sales and had a consolidated revenue of US \$ 423 Million. When we consider the market dynamics in the region, all big tire manufacturers in the region had a successful year, in particular the demand from Eastern Europe, continuing market growth in the Commonwealth of Independent States and sustained demand for high-performance vehicle tires created favourable market conditions.

While the demand in African and Middle Eastern countries of the first region maintained the level of previous year in terms of volume, the first signs for a shift towards higher quality products appeared. 2007 was also a very strong year for the conveyor belt market. Forecasts point that an emerging supported demand will increase the need for conveyor belts, which are used in the mining industry and related sectors.

Kordas Global Turkey is the largest integrated production centre among all other plants with a focus on European and CIS markets. Here, the production of nylon 6,6 yarn, HMS polyester yarn and cord fabrics are realized which are used in a wide range of end-user products including tires.

Interkorda Germany is the company's production center for single end-cord, which is increasingly becoming the choice of high-performance tire manufacturers. This investment will be operational in 2008.

In Egypt, Kordas Global produces all types of cord textiles for vehicle tires by benefiting from being close to local tire manufacturers in Africa.



NORTH AMERICA

North America (Region 2)

Kordas Global serves North America with 2 plants: a yarn plant in Chetzenroga and a cord fabric plant in Laurel Hill. In 2007, the company had US \$ 206 Million sales revenue in the region by selling 47 kilotons of yarn and 13 kilotons of cord fabric.

In compliance with the needs of the local and international customers, the company manufactures a specific type yarn in this region. Other customers are manufacturers of the rubber industry producing mechanical rubber goods, safety belts, ropes, nets and cordage.

High tenacity, resistant industrial nylon 6,6 yarn is used for the reinforcement of tires, hoses, straps, safety belt straps and cordage. cord fabric is used to manufacture nylon and polyester tires by companies which make wide and multi-purpose tires for automobiles, light trucks, farm vehicles and all-terrain vehicles.

North America is the world's third biggest market in industrial nylon yarn production. The markets are forecasted to grow 2% annually. There has been a switch to radial tires in automobiles and trucks; demand for all-terrain vehicle tires increased; a profitable growth has been observed in polyester steel-wired tires while the nylon market has slowed down.

Increasing oil and diesel prices will trigger the sales of smaller, more fuel-efficient vehicles and smaller tires.



SOUTH AMERICA

South America (Region 3)

In response to local demand, Kordas Global produces nylon and polyester industrial yarn and tire cord fabric in South America. The company's Argentina plant produces nylon 6,6 and the Brazil plant produces polyester yarn.

The consolidated sales revenue of 2007 was US\$ 138 Million. The manufacturing volumes were: 18 kilotons of polyester yarn, 4 kilotons of nylon 6,6 and 1.4 kilotons of fabric in Brazil, 15 kilotons of nylon 6,6 yarn and 8 kilotons of fabric in Argentina.

Growing substantially in terms of passenger vehicle and motorcycle tires South America is a production center, addressing the global manufacturers of tires and automobiles. Likewise, in relation to the growth in agricultural exports, and development in infrastructure, the demand for truck and agricultural vehicle tires have been on the rise. Growth prospects concentrate on the northern part of Brazil and in Colombia.

Kordas Global appeals to all customers in this region and provides services with some 850 employees. Vastly improved service is aimed at the growing market through the launch of single end cord production in Brazil in 2008, and enhanced efficiency in polyester yarn production.



ASIA PACIFIC

Asia Pacific (Region 4)

The four production plants of Kordas Global in Indonesia, Thailand and China serve the fastest growing markets of the tire reinforcement materials industry. The company achieved a consolidated sales revenue of US\$ 180 Million in 2007 by selling 44 kilotons of yarn and fabric.

The boom of the tire reinforcement materials industry in Asia Pacific is due to the potential shift of global tire production to this region. Today, the region is not only the export base for the world, but also a magnet for more investment owing to a consistently growing demand.

The rise in tire production also reflects the demand for tire reinforcement, primarily for nylon 6,6 and HMUS polyesters. Prompted by significant development work on highway infrastructure in the region, especially in China, there has been an acceleration in the switch to radial tires in local passenger vehicle and light trucks. Hence, such products are likely to become much more popular.

As preference for radial tires is on the rise, the use of nylon 6 reinforcement is diminishing, which stabilizes the sales of Chinese nylon 6 manufacturers. This puts pressure on Kordas Global's mounting nylon 6,6 sales around the region.

In 2007, the corporate systems and values of the Borealis Group (Indonesia and Thailand) and KONE (The Kordas Global Nylon Enterprise in China) whose majority shares had been bought, were integrated within Kordas Global. In addition, the Asia Pacific regional management was set up, and some new suppliers were introduced to the global system for raw material and equipment supply. The company's growing market share and rising profitability in the region manifests the benefit of precautions taken in accordance with the vision of global solution partner-vestor.



Innovation - Technology

Technology Platforms

Kordis Global's R&D activities have been repositioned in order to better serve its customers and plants worldwide and to boost the pace of innovation. Research and Development activities are managed mainly in five different platforms:

- Material Research and Development Platform
- New Product Development Platform
- Market Application Development Platform
- Central Quality Assurance Platform
- Intellectual Property Platform.

Qualified Research Team

The experienced global research team has expanded in 2007 and new technological competences have been acquired with the new members. In addition to the traditional expertise areas, spinning, hybrids, twisting, weaving, dipping and finish technologies, new competences on the technologies, nano technology, synthesis of new fibres, fibre element analysis have been added to the technology portfolio. Most members of the research team have PhD (33%) and MSc (38%) degrees from the respected universities of Turkey and US.

Labs and Pilot Testing Facilities

While the construction of technology site equipment continues, new material development equipments and pilot production units are added to the facility. DMA, FTIR and Instron are some of the equipments of this new equipment. The installation of pilot spinning line, which will be operational on April 2008, will extend the new fibre development capabilities of the company.

Open Innovation - Partnerships

The only way to boost the pace of innovation is to expand research and development capabilities beyond the company site borders. In line with open innovation strategy, the company has extended its innovation network drastically in 2007. Currently more than 10 research projects are being executed with various partners in United States, Belgium, Germany, Japan and Turkey. The company's open innovation network now extends to the leading research institutes, universities and technology companies.

Customer Cooperation Programs

In today's world, innovation can only be realized by a better understanding of customer needs and fulfilling the needs through cooperation programs with customers. In line with this solution partner for the rubber industry, world's leader, Kordis Global is accelerating its cooperation with global and local customers, today more than 100 Kordis Global employees have been trained with the Blue Ocean Strategy methodology to better understand customer needs and to come up with innovative ideas in all business processes and new products.

Central Quality Assurance

While guaranteeing high quality standards in all products and processes Kordis Global would provide additional benefits to its global customers with the interchangeability of products in case of contingencies. With the formation of Global Central Quality Platform, the company's efforts to develop product, progress and new material specifications have been accelerated.

New Products and Patents

In 2007, patents applications for nylon/polyester hybrids have been completed and some new products have reached to commercialization stage.

- New generation HMLS polyester with higher tenacity and dimensional stability
- 3300 denier HMLS polyester
- Aramide (1100-1670 denier)/nylon (940-1440-1800-2100 denier) hybrids
- Nylon (940-1680 denier)/polyester (1100-1440-1670-2200 denier) hybrids

Grants

Our research and technology efforts have been honoured by TÜBİTAK and Ministry of Industry in 2007. Two projects have been granted and the assessment of four new applications continue. The grants from TUBİTAK and Ministry of Industry will accelerate R&D efforts in the coming years.

Competitive Advantages

With its global production facilities and sales network, Kordis Global is a reliable solution partner serving its customers on all over the world. With its broad product lines, the company can meet customer needs in a flexible manner. The company creates difference with the other sales services and solution oriented approach towards customers. With a technology center that will secure its leading position in the sector in terms of innovative progress, it is the preferred supplier of the leading the manufacturers.

Kordis is a world leader with 38% share in the nylon 6,6 high-denier yarn sector. With its new acquisitions and enterprises, Kordis Global has achieved a 10% share in the Polyester HMLS markets.

Market Share

Kordisa Global has remained the global leader in high-denier nylon 6,6 yarn and cord fabric in the world tire industry with a market share of nearly 39%. In the same sector, it has also remained an important player on a global level in the high-denier HMLS polyester cord fabric market with a market share of nearly 10%.

1000 TON	POLYESTER (PET)	
NYLON 6,6		
KORDISA	122	43
PRODUCER A	95	97
PRODUCER B	84	75
PRODUCER E	66	47
PRODUCER F	-	30
OTHER	-	122
TOTAL	307	414

Nylon 6,6 Global Market Share



Polyester Global Market Share



Products

Kordisa Global is the leading supplier of heavy denier industrial nylon and polyester (HMLS and Technical) yarns, tire cord fabrics, industrial fabrics and single end cords. The leading customers include all the leading manufacturers of tires and mechanical rubber goods. With 12 sites in 10 countries the company serve its customers on a true global scale. Kordisa Global's products are used in a vast number of applications; most common usages are tires, springs, hoses, conveyor belts, V-belts, ropes, cordage, webbing, fiber optics and paper felt. New generation nylon 6,6 and polyester yarns, adhesion technologies, hybrids for fabric and single end cord applications are among research topics.

Yarns

- High tenacity, industrial heavy denier nylon 6,6 yarn (340 den and above).
- High tenacity industrial HMLS and technical heavy denier polyester yarn (1100 den and above).

Some application areas of the yarns are: Cord fabric, industrial fabrics, chafar fabrics, single end cord, security belts, ropes.

Tire Cord Fabric

Kordisa Global produces tire cord fabrics for a wide range of applications using nylon 6,6, nylon 6, PET (HMLS and Technical), Rayon and Aramide yarns are being converted at the plants. The tire body is constructed from the layers of rubberized tire cord fabrics, or plies, that give the tire its strength and flexibility. All Kordisa Global fabrics are specially developed for individual customers according to their specific needs.

Industrial Fabrics

Kordisa Global offers a wide range of industrial fabrics like conveyor belt fabrics, chafar fabrics, liner fabrics, membrane fabrics according to customer needs.

Kordisa Global presents all those products to its worldwide customers as one of the major suppliers of high-grade quality of conveyor fabrics. With all these qualities the company is a major player in the industry. Kordisa Global is a major player for the industry & operators.

Kordisa Global produces three kinds of chafar fabrics: monofilament chafar fabrics, multifilament chafar fabrics and bulked chafar fabrics. The company manages its production in line with the local demands of the customers. The company's other products include liner and membrane fabrics. The company is other products include liner fabrics and membrane fabrics.

Production Capacities (000 ton)

COUNTRY	CORD FABRIC	YARN	INDUSTRIAL FABRICS	SINGLE END CORD
TURKEY	6	58	5	-
EGYPT	6	0	-	-
IRAN	10	0	-	-
GERMANY	0	0	-	4
USA	14	69	-	-
ARGENTINA	10	75	-	-
INDIA	18	84	-	-
CHINA	32	85	-	-
INDONESIA	10	0	-	-
THAILAND	0	3	-	-
CHINA	152	186	0	4
TOTAL	152	186	0	4



Safety, Health and Environment

Safety and health of employees has always been regarded as a core value in Korea Global. In addition, however, there are extensive local and national laws designed to promote a safe workplace. Extensive and continuous training and regular safety audits are essential for understanding and complying with safety laws.

Rules of Practice

1. Highest Standards of Performance, Business Excellence

Korea Global shall adhere to the highest standards for the safe operation of facilities and the protection of environment, employees, customers and the communities. By making safety, health and environmental issues an integral part of all business activities, Korea Global will empower its operations facilities via continuous efforts to align operations with stakeholder expectations.

2. Target of Zero Injuries, Illnesses and Incidents

Korea Global believes that all injuries and occupational illnesses, as well as safety and environmental incidents, are preventable, and the goal is to minimize them to zero. Korea Global assesses the environmental impact of each facility it plans to construct. The company will design, build, operate and maintain all facilities and transportation equipment so that they will be safe and acceptable to local communities and protect the environment. Korea Global shall be prepared for emergencies and will provide leadership to assist its local communities to improve their emergency preparations.

3. Goal of Zero Waste and Emissions

Korea Global will drive toward zero waste generation at the source. Materials will be reused and recycled to minimize the need for treatment or disposal and to conserve resources. Where waste is generated it will be handled and disposed in a safe and responsible manner. Korea Global will drive towards zero emissions, giving priority to those that may present the greatest potential risk for health or environment.

Where past practices have created conditions that require correction, Korea Global shall responsibly correct them.

4. Conservation of Energy and Natural Resources, Habitat Enhancement

Korea Global will excel in the efficient use of coal, oil, natural gas, water, minerals and other natural resources. It will manage to find to enhance habitats for wildlife.

An integral part of the safety culture at Korea Global is "What people do, when nobody is watching". This culture is the way of living. It goes beyond simply being a program and becomes part of our existence.

Korea Global adheres to the highest standards for the safe operation of all facilities and the protection of employees, customers, and environment.

*Safety is a core value.
Beyond priority.*

Global Human Resources

Kordas Global considers human resources as the most important source for bringing strategic priorities into action, and regards employee development as an essential part of its global strategy.

Accordingly the main reason for the existence of corporate Global HR function is to create work processes, practices and policies that suit company business plans and global needs, to train professionals at every level, and constantly monitor the organizational structure in order to identify critical positions and potential successors.

The company's HR vision is to create a work environment where employees are proud to belong to the company and world class HR management practices are in place.

In order to realize this vision, the company is creating opportunities for its employees to improve their skills and support them so that they may realize their full potential.

Strategy and Goals

Taking regional or local human resources practices and business plans into account, Global Human Resources objective is to establish an integrated human resources approach among all organizations.

Monthly conferences and yearly network meetings are being held with the goal of conducting its projects on a global level and reinforcing the sharing of information sharing and collaboration among its human resources functions.

Human Resources Strategies:

- Develop work class policies, systems and processes in human resources policies in accordance with the Sabanci Group.
- Design and manage development programs for various positions such as (young talent, middle management, upper management) in line with regional and local HR departments in order to support corporate growth plans.
- In order to achieve sustainable success, make and implement organizational succession plans on a global level.
- Ensure training of the best professionals at every level by creating various opportunities in accordance with the expectations of employees and company's global level experience.

For Kordas Global 2007 was the year of global integration and this shaped its human resources activities accordingly.

In this period, the company completed the organization of its Global Technology Center, extended its job evaluation projects to all regions as part of its integrated human resources, restructured its global policies and procedures and accelerated its rotation endeavors.

In 2008 we will be facilitating the global activities to work productively for all operators. Priority will be given to projects such as the structuring of medium- long-term foreign assignment strategies, the creation of an integrated human resources process management and database management infrastructure, and spreading of Total Quality Management self-assessment.

Expatriation

The company's main HR goal as a global company is to carry Kordas Turkey's information sources to other Kordas Global companies and to provide its employees with different experience opportunities. Accordingly, 15 employees are now serving Kordas Global companies in other countries, within expatriation system.

In the coming period, in accordance with company needs and employee expectations foreign country assignments will continue, increasing.

Business Ethic Rules

Kordas Global conduct its activities in accordance to Kordas Global Business Ethic Rules accepted by the Board of Directors. The Business Ethic Rules regulate Kordas Global's relations with its customers, employees, stakeholders, suppliers, business partners, competitors, the environment, society and Sabanci Holding; and focus on four main areas: legal responsibilities, honesty, confidentiality and conflict of interest.

With the publication of Kordas Global Work Ethic Rules on its web site, the process of public disclosure and informing the employees of their rights will be completed within year 2008. Employees will be informed about their rights by the publication of the rules, the distribution of printed booklets and informative courses.



Certificates

TURKEY		
ISO 9001:2000	Quality Management System	
ISO 14001:2004	Environmental Management System	
GB18264-182007	Safety and Health Management System	
EGYPT		
ISO 9001:2000	Quality Management System	
ISO 14001:2004	Environmental Management System	
GERMANY		
ISO 9001:2000	Quality Management System	
USA		
Customerage	Quality Management System	
ISO 9001:2000	Quality Management System	
United HQ	Quality Management System	
ISO 9001:2000	Quality Management System	
ARGENTINA		
ISO 9001:2000	Quality Management System	
BRAZIL		
ISO 9001:2000	Quality Management System	
INDONESIA		
BS EN ISO 9001:2000	Quality Management System	
EN ISO 9001:2000	Quality Management System	
ISO 9001:2000	Quality Management System	
THAILAND		
ISO 9001:2000	Quality Management System	
CHINA		
ISO 9001:2000	Quality Management System	

Supervisory Board Members and Working Principles

The purpose of the supervisory board is to provide information to the Board of Directors (BOD) regarding the company's accounting system, financial reporting, financial data publicly disclosed, internal auditing department activities, functioning & control of the independent inspection and internal control system. Besides, the supervisory board supports the company's efforts concerning the corporate management principles and laws, especially the Stock Exchange Commission legislation and compliance with ethics regulations; and perform supervisory functions in the above mentioned areas.

The Supervisory Board's Structure and Areas of Responsibility

The supervisory board consists of two people from within the company, with Turgut Uzer as chairman and Rıdvan Yrmbesoğlu as member.

The members consist of people who do not have direct executive duties. Although they are non-functional members of BOD, they have sufficient knowledge and experience in finance. The chairman of the supervisory board is appointed by the BOD. The company's internal auditing department act as a rapporteur for the supervisory board. The duties of the rapporteur are assigned by the chairman of the supervisory board. In order to fulfil his/her duties to the supervisory board, he/she shall be provided with the necessary resources and support.

The supervisory board monitors the company's accounting system, financial data public disclosure, internal auditing department activities, functioning & activity of the company's internal auditing department and control system. Thus, the committee, ensures that financial and operational activities are monitored, internal and external audits are carried out in a sound manner; informs whether the financial reports reflect the correct numbers; advises the BOD in the selection of an independent auditor; reviews company policy in legal areas and ethics rules; conflict of interest and legal management/fraud; works through the internal audit department; reviews the appropriateness of corporate management policy; gathers with the internal inspection division, confers on the sufficiency of the internal control system, holds regular meetings, serves as a bridge for communication between the BOD, financial managers, independent auditors and the internal auditing department.

The supervisory board, reports its activities, conclusion and recommendations within its area of duties and responsibilities to the chairman of BOD.

Board Meetings

The supervisory board gathers at least every three months and four times per year, at company headquarters or elsewhere if invited by the chairman of the supervisory board. A meeting may be called by the chairman of the BOD on the supervisory board under exceptional circumstances. Special/agenda meetings may be held with auditors and managers.

In 2007, the supervisory board met four times, in April, May, September and November. In these meetings company managers provided information concerning their activities, internal control systems; also they receive information from independent auditors regarding their conditions. The supervisory board examined the audit reports, approved an audit schedule and presented a report to the BOD concerning the accuracy of the financial statements.

The Internal Audit Department

Company's internal auditing department reports directly to the supervisory board, which, according to the principle of independence, is made up of independent members of the BOD within the company's organization. The internal control mechanism is under the responsibility of the management of affiliated partnerships, and is coordinated and monitored by the company's internal auditing unit. The duties of the internal auditing department are to monitor the reliability and accuracy of the financial statements of the company and dependent partners; assure that activities proceed in accordance with the law and the ethics rules accepted by the company; analyze processes and find solutions which will identify potential risks, with the goal of increasing effectiveness and reduce these risks to a minimum or completely eliminate them.

The internal auditing department is responsible for reporting periodically to the supervisory board.

Corporate Governance Principles Compliance Report

1. Statement of Compliance With Corporate Governance Principles

Between the dates Jan. 1 2007 and December, 31, 2007, Kordas Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. (hereinafter referred to as the company) has complied with and implemented the "Corporate Governance Principles" as published by the Capital Markets Board of Turkey (CMB).

SECTION I

SHAREHOLDERS

2. Shareholder Relations Unit

Within the company's organisation an investor relations department under the finance department serves our shareholders, reporting directly to the finance director.

The responsibility of the department is carried out by Banu Ören, Global Finance Director (Tel: 0 212 385 88 64 Fax: 0 212 282 00 12, e-mail: banu.oren@kordasglobal.com).

Also Mustafa Yeşil serves in this department as a contact person in finance services (Tel: 0 212 385 85 30 Ext: 28543 - 28547 Fax: 0 212 281 00 27 / 0 212 282 54 00, e-mail: mustafayesil@kordasglobal.com)

8,9% of the shares in the company are publicly held, and the shareholders representing our private capital (81,1%) are limited to five corporate shareholders. The department is assigned with the role of carrying out the relations with shareholders. Within the scope of such a role, EO phone contacts were realized with corporate shareholders to answer their queries, and EO e-mail applications from shareholders are responded.

3. Shareholders' Exercises of their Right to Obtain Information

In 2007, the Investor Relations Department responded to more than 150 queries in total received from shareholders including phone calls, e-mails, and one-to-one contacts. Information that might be of relevance to the shareholders was also announced within legally prescribed times at the company's website accessible at www.kordasglobal.com.tr.

Apart from the matters that are publicly disclosed, the department also responded the shareholders' phone queries relating to matters about dividend policy and the acquisition of Enerjin Mada and IGNE companies in Asia. The company's articles of association do not stipulate assignment of a special auditor as an individual right.

No demands were received from the shareholders in regarding this subject in 2007, a/b/c.

4. Information on General Assembly Meetings

In 2007, 2006 Ordinary General Assembly Meeting of Shareholders was held on April 27th, 2007. Shareholders representing 91,1% of the capital attended the meeting. The invitation for this meeting were realized in compliance with the provisions of the Turkish Commercial Code and the Company's articles of association.

To ensure the attendance of shareholders to the General Assembly Meeting, passes were issued to shareholders who applied the Company's Investor Relations Departments until two days before the General Assembly Meeting Date, by way of the CRA Shareholders Form for those whose share certificates are kept by intermediary institutions, via a receipt showing that they lodged the share certificates with the banks for those who personally hold the share certificates.

The annual report containing audited 2006 figures were provided for the shareholders' review at least 15 days in advance, at the company headquarters. During the general assembly meeting the shareholders did not use their rights to direct questions and no proposals were presented in addition to the agenda items.

Crucial decisions within the scope of Turkish Commercial Code are presented at the General Meeting for the shareholders of approval. All actual decisions that will be covered by the law to be amended shall also be presented at the General Meeting for the shareholders approval. Upon achievement of corporate governance principles' legal harmonization.

General Assembly Meeting minutes are prepared for the inspection of shareholders at the company headquarters at all times, and are also accessible on the company website at www.kordasglobal.com.tr. The required quorums were achieved in the related meetings and invitations to the meetings were realized in compliance with the provisions of the Turkish Commercial Code and the Company's articles of association.

5. Voting Rights and Minority Rights

The articles of association grants no privileged voting rights.

Our company does not face any other company with cross-shareholders interests.

6. Dividend Distribution Policy and Timing
Based on the company's Board of Directors resolution dated 14 March 2009 and numbered 616, the Company's Dividend Distribution Policy is declared as follows: "The Company distributes cash dividends to its shareholders each year in an amount that is equal to at least 50% of the attributable profit in accordance with the CMB legislation, other legal separations and the Company's articles of association."
It was unanimously resolved that the said policy is to be reviewed each year by the Board of Directors in consideration with national and global economic conditions, the projects in the company's agenda and the status of available funds, declared at the immediately following General Assembly Meeting for the information of the shareholders; and Sections 35, 36 and 41 of the articles of association explicitly state the distribution manner and timing of the company's profits. Each year, the company performs the dividend distribution within legally prescribed times. By virtue of the fact that dividend distribution is performed within legally prescribed times, no legal issues in relation to this matter are faced, yet.

7. Transfer of Shares
The Company's articles of association contain no provisions restricting the transfer of shares.

SECTION III PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Disclosure Policy
The company has in place a disclosure policy that conforms to the CMB's Corporate Governance Principles.
Pursuant to this policy, the company regularly makes public disclosure of half-year and annual consolidated reports drawn up in line with International Financial Reporting Standards (IFRS) and independently audited, as well as unaudited 1st and 3rd quarter consolidated reports, material events requiring to be publicly disclosed, in accordance with the CMB legislation within due time via the ISE.
Disclosures are publicly disclosed also on the company website accessible at www.kordasglobal.com.tr.
The responsibility for the execution of the disclosure policy rests with Mehmet Nurettin Pekserun, CEO.

9. Disclosure of Material Events
In 2007, the company made 30 material event disclosures to the CMB and the ISE, pursuant to the CMB regulations. The said disclosures were made on time and no sanctions were imposed either by the CMB or the ISE.
The Company's shares are not quoted on overseas stock exchanges.

10. Company Web Site and its Content
The company has an internet site accessible at www.kordasglobal.com.tr. The content of the website is available in Turkish. Under the "Investor Relations" heading on the company website, the information listed under CMB Corporate Governance Principles, Section III, Article 1.11.5 is provided.

11. Disclosure of Non-Corporate Ultimate Shareholder(s) Having a Controlling Interest
There are not any non-corporate ultimate shareholders with a controlling interest in the company. All company shares/securities are registered. The share certificates representing the company's publicly held capital (5,855,356%) are traded at ISE and the company is not trading such transfers. Therefore, the company officially has information only on the 5 corporate shareholders holding the share certificates/interests representing the company's privately-held capital (91,110636%).

12. Public Disclosure of Those Who May Have Access to Insider Information
Information on the "Members of the Board of Directors", "Members of the Management Committee", and "Executives in the Organization" are included in our annual reports, and thus publicly disclosed. In addition, individuals elected to membership on the Board of Directors during the course of the year are publicly disclosed by being declared in the ISE bulletin and the Turkish Trade Registry newspapers.

**SECTION III
STAKEHOLDERS**
13. Keeping Stakeholders Informed
Stakeholders are informed about the company progress by way of public disclosures made pursuant to applicable legislation.
In addition to the information contained in the financial statements and reports that are publicly disclosed pursuant to the CMB legislation (save for information that is not yet publicly disclosed), oral or written information is provided upon request by stakeholders such as company employees, customers, vendors, unions, non-governmental organizations, the State, potential investors on matters related to them. Company employees are informed through seminars, meetings, and various training programs organized depending on their fields of expertise and interest.

14. Stakeholders Participation in Management
Company employees, customers, suppliers and the society in particular are considered as stakeholders. Employee participation in management is secured through periodic internal meetings, annual target-setting & performance assessment meetings. In addition, the feedback mechanism serves to the convenience of feedbacks from employees, customers and vendors on matters related to them, and the results are addressed in the committees setup meeting and action plans are devised for necessary changes. These approaches ensure the necessary participation and contribution of the employees to assure efficient management of the company.

15. Human Resources Policy
The Human Resources Policy and practices in place at the company are presented below and also posted on our website at www.kordasglobal.com.tr. Halim Oken, Global Human Resources Director leads the related activities. The summary of human resources (HR) roles are as follows:

- Development of HR processes in line with business goals.
- Recruiting candidates in line with the expectations to perpetuate the development of talent pool in the organization.
- Development of top-notch professionals and making sure adequate contingency plans are developed.
- Making sure employees are provided with growing and exciting opportunities.
- Designing compensation and benefits packages in line with the roles of employees.
- Creating and sustaining an open, fair and constructive work environment.
- Ensuring and developing the related safety, health and environment applications to meet all relevant needs.
- Development of performance based management systems.
- Management of relations with both employees and Workers' Union for the most favourable results of all parties concerned.

The company targets to select qualified employees by using the primary processes of recruitment, assessment, development, career planning and retirement, to establish a high performance culture; to ensure development of necessary competencies and skills at every level of the organization; to place the right potential in the right position; and to be a privileged company to be working for with a high-caliber employee profile by

16. Relations with Customers and Suppliers
Kordas Global targets to establish long-term strategic alliances with its customers and acts in line with these targets. The Company implements the principle of creating mutual value in relation with the shareholders. With customers, it adheres to the principles of integrity, ethical approach, and commercial and technologic confidentiality. Customer demands are responded with the most efficient, productive and practicable solutions at the earliest convenience.
Kordas Global possesses an organizational structure, offering full support to its customers in commercial and technical issues, improvement activities are carried out with a keen consideration on market developments based on customer-focused. Products and services offered are developed together with the customers' existing and future needs at the utmost level.
Kordas Global pays attention to offer fair and equal opportunity to all potential suppliers and make its purchases from reliable suppliers that have a focus on customer satisfaction, and are committed to worker health-worker safety, environmental safety and quality. Kordas Global establishes long-term relations with its suppliers based on mutual trust, efficient communication and business partnership, and implements with a win-win principle.

17. Social Responsibility
In Kordas Global, order of priority for all activities are as follows: "Workers' Health", "Occupational Safety-Environment" and "Quality".
Within the company, it is believed that all occupational accidents and occupational diseases can be prevented. In accordance with this, all employees coming to the workplace, even if for a short-term assignment, are trained on worker safety, occupational safety and environment, and the scope of the safety training is expanded depending on the identified training needs.
The company fulfills its social responsibilities through contributions to Sabanci University, donations to natural disaster response committees released public agencies and institutions, as well as universities and secondary education institutions.
There are no lawsuits lodged against the company on account of any environmental issues.

SECTION IV BOARD OF DIRECTORS

18. Structure and Formation of the Board of Directors, Independent Members
The Company's Board of Directors consists of 6 members elected for a period of three years. In accordance with the provisions of the Turkish Commercial Code and the articles of association, although there are no independent Board members, there are executive Board members.

Güler SABANCI : Chairman
(non-executive)

Turgut UZER : Vice Chairman
(non-executive)

Rehvan Kadri YIRIMBEŞOĞLU : Member
(non-executive)

Peter Gerard KEHOE : Member
(non-executive, independent)

Terry Hill HAMMOND : Member
(non-executive, independent)

Rafael C. B. DECALME : Member
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22. Authorities and Responsibilities of Board Members and Executives
The management rights and representation powers of the Company's Board of Directors are defined in Sections 14, 16, 17, 18, 19, 20, 21 and 22 of the articles of association, and publicly disclosed on the Internet at www.kordasglobal.com.tr. The authority and responsibilities of the executives, however, are not stipulated by the Company's articles of association. However, these authorities and responsibilities are determined by the Company's Board of Directors.

23. Operating Principles of the Board of Directors
The company's Board of Directors met 25 times in 2007, and studied the agenda items by way of mail and circulation. The agendas of the company's Board meetings are set upon contacts held by the Chairman of the Board with the Board members. At the meetings held in 2007, no dissenting opinions were voiced by any Board member against the decisions taken. While deciding on the matters contained Section IV, Article 2, 17, 4 of the CMB's Corporate Governance Principles, actual attendance of the members who did not have an excuse was assured in the relevant Board meetings. As the board members, did not have any questions regarding these matters, the same did not enter the records. Board members are not entitled to weighted voting and/or vetoing rights in relation to such resolutions.

24. Prohibition on Doing Business or Competing with the Company
The company's board members are not involved in business with the company and/or did not undertake initiatives that would compete in the same fields of activity in 2007.

25. Code of Ethics
The company adopted Kordas Global Code of Ethics on December 6, 2007. The company carries out all its activities in accordance with all applicable legislation, articles of association and social welfare judgments. Additionally, each company employee annually completes the "Kordas Global Business Ethics Questionnaire", the results of which are evaluated at the General Manager level.

26. Number, Structures and Independence of the Committees under the Board of Directors
No committees other than the audit committee have been set up under the Board of Directors. The Audit Committee consists quarterly to review audits, financial results as well as the corporate governance practices. The members of the Audit Committee are not assigned to executive roles. Since no other committees were formed under the Board of Directors, no conflicts of interest arise.

27. Remuneration of the Board of Directors
The form and conditions of all rights, interests and remuneration granted to the members of the Company's Board of Directors are described in the articles of association. The profit, payment and allowance fee to be paid to the Chairman and members of the Board are set by the General Assembly. The company's articles of association covers the provision "The remuneration of the members of the Board of Directors is set by the General Assembly". Since the proposals to the effect that "no remuneration be paid" were accepted during the negotiation of the relevant agenda item at the general assembly, no remuneration is paid to Board Members.

28. Qualifications of Board Members
Sections 19 and 22 of the company's articles of association present the qualifications and election requirements for the members of the Board of Directors. The qualifications required coincide with the relevant articles contained in the CMB's Corporate Governance Principles.

29. Mission, Vision and Strategic Goals of the Company
The company's Board of Directors determined its mission and vision and publicly disclosed the same in its Annual Report, as well as on its website accessible at www.kordasglobal.com.tr. Companies actions to achieve its mission is frequently reviewed by the Board of Directors.

21. Risk Management and Internal Control Mechanism
The risk assessment and internal control mechanism is in place at every level of the company. The company has an Internal Audit function who is directly reporting to the Vice Chairman of the Board and the Audit Committee.

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**Kordsa Global Endüstriyel İplik ve
Kord Bezi Sanayi ve Ticaret Anonim Şirketi
April 25th, 2008
Ordinary General Assembly**

AGENDA

1. Opening and setting up of the Chairman's Panel.
2. Authorization of the Chairman's Panel to sign the minutes of the General Assembly.
3. Presentation, discussion and resolution on the Board of Directors' Report and Auditor's Report about 2007 activities and accounts.
4. Informing the shareholders about the donations in 2007.
5. Reading, discussion and approval of the 2007 Balance Sheet and Profit/Loss statement; and review and readoption of the Board of Directors' proposal on the dividend payout.
6. Releasing the Board of Directors and Auditors for the company's 2007 activities.
7. Election of the Auditors and determination of their terms of office and remuneration.
8. Ratification of the new Audit Firm elected by the Board of Directors to audit Financial Statements for the years 2008-2009 according to Capital Markets Board Ruling no. 2485.
9. Authorization of the Chairperson and the members of the Board of Directors to conduct the dealings set forth in the Articles 334 and 335 of the Turkish Commercial Code.

Meeting Date : 25 April 2008, Friday

Meeting Time : 10:00 a.m.

Meeting Place : Sadika Aris 2 Hall

Sabancı Center, Tower 2

34330 4. Levent, Beşiktaş - İSTANBUL